

STATEMENT OF CONSIDERATIONS

PETITION BY DETROIT DIESEL CORPORATION (DDC) FOR ADVANCE WAIVER OF U.S. AND FOREIGN RIGHTS TO INVENTIONS MADE UNDER MODIFICATION 17 TO CONTRACT DEN-3-329 [W(A)93-043]

The Petitioner is asking for U.S. and foreign patent rights to all subject inventions made under DOE Contract DEN-3-329, Modification 17, entitled "Adiabatic Diesel Engine Component Development".

This entire contract is being funded by DOE, but is being administered by the NASA Lewis Research Center. The entire contract has as its object the successful design, fabrication, and demonstration of five stationary and moving structural monolithic ceramic components in an extremely hostile Low Heat Rejection (LHR) environment.

DDC was formed in January 1988 to design, manufacture, and sell diesel engines. It is a joint-venture company 80% owned by Penske Transportation Co. and 20% owned by General Motors Corporation (GM). DDC's predecessor, the Detroit Engine Division of GM, was established in 1938.

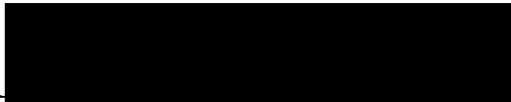
DDC's product line includes engines useful in a broad range of applications that include military, construction, industrial and marine equipment. The Petitioner has extensive experience in the research, design, development, and marketing of heavy-duty diesel engines.

This Statement of Considerations is directed only to Modification 17 of the DEN-3-329 contract. The amount of this particular part of the contract is \$1,488,070 and it is expected to run to October 31, 1994. DDC's cost sharing for this project is 20% of the above total. Additionally, the Petitioner estimates that it has invested more than \$10,000,000 in areas directly related to the work to be performed under this contract.

As a condition to the granting of this waiver, the Petitioner agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States, unless the Contractor can show to the satisfaction of DOE that it is not commercially feasible to do so. The waiver recipient further agrees to make the above condition binding on any assignee or licensee or any entity otherwise acquiring rights to any waived invention, including subsequent assignees or licensees.

Additionally, the Petitioner has agreed to be bound by the provisions of 35 U.S.C. §§202-204, dealing with the Government's license rights, march-in rights and preference for U.S. industry, respectively.


Accordingly, in view of the above, and in view of the objectives and considerations of 41 CFR 9-9.109-6, all of which have been considered, it is recommended that the requested advance waiver of U.S. and foreign patent rights be granted.


Michael P. Hoffman
Patent Attorney
Office of the Assistant General
Counsel for Technology Transfer

Date: 11/7/94


Based on the foregoing Statement of Considerations and the representations in the attached waiver petition, it is determined that the interests of the United States and the general public would best be served by a waiver of patent rights of the scope described above and, therefore, the waiver is granted. This waiver shall apply only to Modification 17 of Contract DEN-3-329 and shall not apply to any further modification or extension of Modification 17 of this contract where, through such further modification or extension, the purpose, scope, or cost of Modification 17 of the contract has been substantially altered.

CONCURRENCE:


Thomas J. Gross
Deputy Assistant Secretary
for Transportation Technologies

Date: _____

APPROVAL:


Judson R. Hightower, Acting
Assistant General Counsel
for Technology Transfer
and Intellectual Property

Date: 12/20/94

U.S. COMPETITIVENESS PROVISION

The waiver recipient agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States, unless the waiver recipient can show to the satisfaction of DOE that it is not commercially feasible to do so. The waiver recipient further agrees to make the above condition binding on any assignee or licensee or any entity otherwise acquiring rights to any waived invention, including subsequent assignees or licensees.